

NYU LANGONE

POLICY ON CONFLICTS OF INTEREST IN BUSINESS AFFAIRS

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Contents:

- I. Applicability
 - II. General Policy
 - III. Procedures for Disclosure
 - IV. Review and Evaluation
 - V. Recusal
 - VI. Definitions
 - VII. Examples of Conflicts of Interest
 - VIII. Enforcement
 - IX. Questions
 - X. Relationship to Other Policies
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I. Applicability

This Policy applies to all members of the NYU Langone community -- employees, faculty, staff, residents, trainees, students, and Key Employees of NYU Hospitals Center, New York University School of Medicine, NYU Langone Health System and the other NYU Langone Entities (each, an “NYU Langone Member”) -- except Trustees, who are governed by the *Policy on Conflicts of Interest for Trustees and Key Employees*. All capitalized terms shall have the meaning set forth in Section VI below.

II. General Policy

A. NYU Langone Members have a primary obligation to serve the purposes to which NYU Langone is dedicated. As part of this obligation, each NYU Langone Member has a duty to conduct his or her NYU Langone duties and the affairs of NYU Langone in a manner that promotes the best interests of the organization and in compliance with legal and regulatory requirements. NYU Langone Members have a duty to disclose on an ongoing basis any current, proposed or pending situations that may give rise to a Conflict of Interest.

B. A “**Conflict of Interest**” means any circumstance in which the personal, professional, financial, or other interests of an NYU Langone Member (including his or her Immediate Family) may potentially or actually diverge from, or may be reasonably perceived as potentially or actually diverging from, his or her obligations to NYU Langone and the interests of NYU Langone. A Conflict of Interest may exist whenever an independent observer might reasonably question whether the NYU Langone Member’s actions or decisions are determined by considerations of personal benefit, whether financial or otherwise. A Conflict of Interest also may exist whenever an NYU Langone Member participates, directly or indirectly, in the selection, award or administration of any business transaction which involves NYU Langone and the NYU Langone Member, a member of his or her Immediate Family, or an entity in which he or she has a Financial Interest. Employment agreements between NYU Langone and the NYU Langone

Member are not business transactions giving rise to Conflicts of Interest under this Policy. Examples of Conflicts of Interest are set forth in Section VII below.

C. NYU Langone does not engage in any matter giving rise to a potential Conflict of Interest involving an NYU Langone Member unless the matter has been fully disclosed and evaluated in accordance with this Policy and a plan for managing or eliminating the Conflict of Interest has been adopted.

D. This Policy applies to any circumstance that may constitute a Conflict of Interest, regardless of whether it is specifically described in this Policy. For example, while a NYU Langone Member's Financial Interests are defined to include current interests as well as interests held in the preceding twelve (12) months, there also may be situations where far older interests create an actual or perceived Conflict of Interest.

III. **Procedures for Disclosure**

A. **Annual Disclosures.** The following NYU Langone Members must submit to the Office of Internal Audit, Compliance & Enterprise Risk Management's Conflicts of Interest Management Unit ("CIMU") his or her disclosure forms upon appointment, hiring and annually thereafter:

- (i) Chairs, Vice-Chairs, Department Administrators, and all employees and officers at the level of Vice-President, Assistant Dean or Director or above;
- (ii) Full-time faculty members and part time employed faculty members;
- (iii) Investigators participating in NYU Langone's research or sponsored programs;
- (iv) Persons engaged in purchasing decisions on behalf of NYU Langone; and
- (v) NYU Langone Members of any NYU Langone committees with supervision or oversight responsibilities over patient care, purchasing, research or education at NYU Langone (e.g., the Pharmacy and Therapeutic Committee (P&T) and the Institutional Review Board (IRB)).

The annual disclosure form will be provided electronically to the NYU Langone Member by the CIMU and must be completed and submitted within thirty (30) days of receipt. In addition, the CIMU may request any NYU Langone Member to complete an annual disclosure form at any time.

In the annual disclosure form, an NYU Langone Member must, among other matters, certify compliance with NYU Langone's *Policies on Conflicts of Interest, Commitment and Consulting*, including this Policy, and disclose all entities in which he or she has a Financial Interest which he or she reasonably believes provides or seeks to develop goods and/or services to healthcare providers, does business with or seeks to do business with NYU Langone, donates or may donate funds to NYU Langone, competes with or could potential compete with NYU Langone in the areas of clinical care, research and development, or faculty, student, trainee or employee recruitment, or could reasonably appear to be related to the NYU Langone Member's responsibilities (teaching, clinical, research, administrative or otherwise) with NYU Langone. Disclosures of Financial Interests must be made in specific amounts. In addition, as provided in NYU Langone's *Policies on Conflicts of Interest, Commitment and Consulting*, faculty members must disclose all outside activities involving his or her professional competence. NYU Langone Members may also be required to disclose additional personal interests, activities and relationships as mandated by regulatory requirements (e.g., IRS Form 990).

B. Specific Disclosures. All NYU Langone Members have an ongoing obligation throughout the year to disclose new and anticipated Conflicts of Interests. All NYU Langone Members must disclose to the CIMU any specific situation that gives rise to a potential Conflict of Interest.

C. Confidentiality. Disclosures will be kept confidential and divulged by NYU Langone for review under the *Policies on Conflicts of Interest, Commitment and Consulting* on a need-to-know basis or as required by applicable laws and regulations.

IV. **Review and Evaluation**

A. CIMU Review. The CIMU is responsible for reviewing and evaluating each disclosure made by an NYU Langone member and for determining whether a potential Conflict of Interest exists under the circumstances. In cases where the CIMU believes that a significant potential Conflict of Interest exists, the CIMU will submit the matter to NYU Langone's Business Conflict of Interest Committee ("BCOIC"). The CIMU will determine whether a significant potential Conflict of Interest exists based upon directions provided to the CIMU by the BCOIC from time to time and upon the best interests of NYU Langone.

For all other matters, the CIMU will evaluate the matter to determine if the potential for a Conflict of Interests exists, and, if so, how such potential Conflict of Interest may be managed, reduced or eliminated. When appropriate, the CIMU may adopt and issue to NYU Langone Members a plan for managing and monitoring any potential Conflict of Interest. Such plans will depend upon the facts and circumstances of the specific matter and will be consistent with this Policy and the directions of the BCOIC. Each affected NYU Langone Member must review and sign the conflict management plan and comply with all of its terms.

B. BCOIC Review. The BCOIC is responsible for reviewing and evaluating each potential Conflict of Interest submitted to it by the CIMU. As a matter of policy, if the BCOIC finds that a Conflict of Interest exists, NYU Langone will not approve the matter unless the BCOIC determines, after reviewing all material facts, that extraordinary circumstances merit an exception and the BCOIC adopts a plan for managing and monitoring the Conflict of Interest which is fair, reasonable, and in the best interests of NYU Langone. Any management plan will depend upon the facts and circumstances of the specific matter. Each affected NYU Langone Member must review and sign the conflict management plan and comply with all of its terms.

C. Key Employees; Related Party Transactions. Potential Conflicts of Interests involving Key Employees, including all Related Party Transactions, are subject to the requirements of NYU Langone's *Policy on Conflicts of Interest for Trustees and Key Employees*. The CIMU will submit such matters to the Audit and Compliance Committee of NYU Langone Health System's Board of Trustees ("Audit and Compliance Committee") in accordance with the requirements of the *Policy on Conflicts of Interest for Trustees and Key Employees*. In addition, the CIMU may submit matters related to Key Employees to the BCOIC for the BCOIC's review and evaluation. Any findings of the BCOIC on matters subject to the *Policy on Conflicts of Interests for Trustees and Key Employees* are subject to the final review of the Audit and Compliance Committee as provided in that policy.

D. Monitoring. The CIMU is responsible for periodically monitoring compliance with every plan for managing and monitoring a Conflict of Interest or potential Conflict of Interest issued under this Policy.

V. **Recusal**

No NYU Langone Member shall participate, directly or indirectly, in the selection, award, or administration of any matter that gives rise to a potential Conflict of Interest. In such event, the NYU Langone Member must not attempt to influence improperly NYU Langone's deliberation, decision-making or voting on the matter, must completely recuse himself or herself from the matter, and must notify the CIMU as provided in Section III(B) above.

VI. **Definitions**

A. "**Conflict of Interest**" shall have the meaning ascribed to it in Section II(B) above.

B. A "**Financial Interest**" is held in an outside entity by an NYU Langone Member when he or she or a member of his or her Immediate Family holds a Financial Interest in the outside entity. Examples of Financial Interests are a Management, Board, or Employment Position, Ownership Interests, Consulting Compensation, Paid/Reimbursed Travel, Royalty Income, and Intellectual Property Rights, where:

- (i) "**Management, Board, or Employment Position**" means a position or appointment to serve, in either a personal or representative capacity, as a director, trustee, partner, senior executive, officer, employee, or equivalent, whether paid or unpaid, at the outside entity;
- (ii) "**Ownership Interests**" are equity interests held, either directly or indirectly, including stock and stock options (or entitlement to the same), of any amount in either a publicly-traded or non-publicly-traded entity. (*Exception: Mutual Funds*— Interests of any amount in publicly-traded, diversified investment vehicles, such as broad-based publicly-traded, diversified mutual funds and exchange traded funds, as long as the NYU Langone Member, or his or her Immediate Family Members, collectively, do not have a 15% or greater direct or indirect interest in the vehicle and do not have a Management, Board, or Employment Position in the vehicle, are not Ownership Interests.);
- (iii) "**Consulting Compensation**" means salary, consulting fees, honoraria, paid authorship, lecture fees, other emoluments, stock, stock options, royalties or "in kind" compensation directly or indirectly received from an entity (or entitlement to the same), whether in connection with a Management, Board, or Employment Position or for consulting, lecturing, or service on a scientific advisory board, data safety monitoring board, steering committee for a clinical trial, executive committee for a clinical trial, or other committee for an outside entity, or for any other purpose, that have been received in the past calendar year or are expected to be received in the current or next calendar year; and
- (iv) "**Paid/Reimbursed Travel**" means the occurrence and value of any paid/sponsored (i.e., sponsored travel is that which is paid on behalf of the Investigator and not reimbursed to the Investigator so that the exact monetary value may not be readily available), and/or reimbursed travel, whether in connection with a Management, Board, or Employment Position or for consulting, lecturing, or service on a scientific advisory board, data safety monitoring board, steering committee for a clinical trial, executive committee for a clinical trial, or other committee for an outside entity, or for any other purpose, that have been received in the past calendar year (i.e., no less than the past 12 months) or are expected to be received in the current or next calendar year.
- (v) "**Royalty Income**" means payments linked to product sales, or the written contractual

right to receive future royalties, directly or indirectly, under an issued or pending patent, license or copyright, that has been received in the past calendar year or is expected to be received in the current or next calendar year. For the purpose of this Policy, Royalty Income includes all income received by an NYU Langone Member from NYU in accordance with the *NYU Statement of Policy on Intellectual Property*.

- (vi) An “**Intellectual Property Right**” is an issued or pending patent, license or copyright and includes, for the purpose of this Policy, the right to income from NYU in connection with a patent, license or copyright held by or to be held by NYU (for further information, see the [NYU Statement of Policy on Intellectual Property](#)).

(*Exceptions:* The following are **not** Financial Interests under this Policy:

- (i) Salary from NYU Langone and cost-related payments for services or reimbursements from NYU Langone.
- (ii) Payments to NYU Langone, or via NYU Langone to the NYU Langone Member, which are directly related to the reasonable costs incurred in the conduct of a research project or sponsored program or to the payment of indirect costs and are specified in a grant, agreement or contract between NYU Langone and a research sponsor.
- (iii) Paid/reimbursed Travel from seminars, lectures, or teaching engagements sponsored by , or in connection with service on advisory committees or review panels for, a federal, state, or local government agency, or a non-profit institution of higher education, academic teaching hospital, medical center, or research institute that is affiliated with an institution of higher education.

C. “**Immediate Family**” means the person’s spouse, ancestors, domestic partner, children (whether natural or adopted), parents, grandchildren and great-grandchildren, siblings, or equivalents by marriage, or other individuals residing in the person’s household.

A. “**Key Employee**” means any person who is in a position to exercise substantial influence over the affairs of NYU Langone or any NYU Langone Entity, as defined in the Intermediate Sanctions provisions of the Internal Revenue Code, including but not limited to the executive leadership of NYU Langone as defined from time to time by the CEO of NYU Langone Health System.

B. “**NYU Langone**” means, collectively, (a) NYU Langone Health System, (b) entities controlled, directly or indirectly, by the System, which include, as of the date hereof, NYU Hospitals Center (“NYUHC”), 34th Street Cancer Center, Inc., Lutheran Augustana Center for Extended Care and Rehabilitation, Inc., Sunset Bay Community Services, Inc., Shore Hill Housing Company, Inc., Sunset Gardens Housing Development Fund Corporation, Lutheran CHHA, Inc., Community Care Organization, Inc., Harbor Hill Housing Development Fund Corporation, and NYU Langone IPA, (c) entities controlled by NYUHC, which include CCC 550, Inc. and OHP PHSP, Inc., (d) NYU School of Medicine (“NYUSoM”) and its affiliate, NYU Imaging, Inc., and (e) such other entities as may in the future be controlled, directly or indirectly, by any of the entities named above.

C. “**NYU Langone Entity**” means each individual entity that is part of NYU Langone.

D. An “**NYU Langone Member**” means each member of NYU Langone community, including employees, faculty, staff, residents, trainees, students, and Key Employees, other than trustees.

E. “**Related Party**” means a Key Employee, a member of his or her Immediate Family, or any entity in which a Key Employee or a member of his or her Immediate Family has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

F. “**Related Party Transaction**” means any transaction, agreement or any other arrangement in which a Key Employee has a financial interest and in which any NYU Langone Entity is a participant within the meaning of Sections 102 and 715 of the New York Not-For-Profit Corporation Law. A Related Party Transaction does not include (a) de minimis transactions; (b) transactions or activities that are undertaken in the ordinary course of business by staff of NYU Langone; (c) benefits provided to a Related Party solely as a member of a class that NYU Langone intends to benefit as part of the accomplishment of its mission; or (d) transactions related to compensation of employees or reimbursement of reasonable expenses incurred by a Related Party on behalf of NYU Langone.

G. “**Trustee**” means a voting member of the governing body of NYU Langone Health System and each NYU Langone Entity.

VII. **Examples of Conflicts of Interest**

The following are situations that give rise to a Conflict of Interest and require disclosure to the CIMU in accordance with this Policy. This list is by no means all-inclusive. In case of uncertainty as to whether or not a Conflict of Interest exists, an NYU Langone Member should disclose the matter to the CIMU. For example, some potential Conflicts of Interest occur when:

A. An NYU Langone Member or a member of his or her Immediate Family has a Financial Interest in an entity or vendor that NYU Langone is contemplating doing business with (e.g., NYU Langone is contemplating purchasing, leasing or selling of goods, services, or real estate, or making or receiving a loan to or from such individual or entity, or is contemplating accepting a grant from such individual or entity for sponsored research).

B. An NYU Langone Member or a member of his or her Immediate Family proposes that NYU Langone use or purchase goods in which the NYU Langone Member has a proprietary interest (e.g., an NYU Langone Member advocates the use of a device designed by the NYU Langone Member).

C. An NYU Langone Member, a member of his or her Immediate Family, or any entity in which he or she has a Financial Interest either engages in competition with a service provided by NYU Langone (e.g., by working for an organization which competes directly with NYU Langone or appropriating or diverting a business or financial opportunity that the NYU Langone Member knows NYU Langone is pursuing, except that a member of NYU Langone’s medical staff who is also on the medical staff of another hospital does not constitute competition so long as the second appointment is not prohibited by his or her employment contract).

D. An NYU Langone Member, a member of his or her Immediate Family, or any entity in which he or she has a Financial Interest recruits any NYU Langone faculty member or employee or solicit business which knowingly disturbs, or could be expected to disturb, the existing professional or business relationships of NYU Langone with any faculty member, employee, health care provider or referral source.

E. An NYU Langone Member proposes that NYU Langone hire or contract with a member of his or her Immediate Family for a position or activity that is within his or her direct or indirect supervision or control. The employment of a member of an NYU Langone Member’s Immediate Family with NYU

Langone must be in accordance with NYU's *Policy on the Employment of Members of the Same Family*.

F. An NYU Langone Member solicits or accepts a gift, favor or anything of monetary value from a contractor, vendor, patient, co-worker, volunteer or other person with whom NYU Langone has a business relationship, except as specifically provided in NYU Langone's *Policy on Acceptance and/or Solicitation of Gifts or Benefits From Vendors, Patients and Others*.

G. An NYU Langone Member uses assets, property or labor of NYU Langone to his or her personal advantage.

H. An NYU Langone Member discloses or uses any non-public information obtained in the course of discharging his or her duties and responsibilities at NYU Langone to his or her personal advantage.

I. An NYU Langone Member is an inventor on patents or other IP Rights held by NYU and licensed to a start-up company, and receives an inventor's share to any NYU licensing or royalty income and any equity NYU receives from the start-up company through licensing.

VIII. **Enforcement**

A. Violations of this Policy are subject to disciplinary action, up to and including termination of employment or association with NYU Langone, in accordance with NYU Langone disciplinary policies and procedures applicable to the respective NYU Langone Member.

B. Any failure to make a disclosure as required under this Policy by any members of an NYU Langone committee will result in the member being suspended or removed from such committee.

IX. **Questions**

Any questions relating to this Policy should be directed to the Office of Legal Counsel or the CIMU.

X. **Relationship to Other Policies**

A. This Policy replaces NYU Langone Medical Center's *Policy on Conflicts of Interest in Business Affairs* issued on April 1, 2009 and updated on April 1, 2011 and July 1, 2014.

B. This Policy is intended to supplement, but not replace, other policies and guidelines applicable to the NYU Langone Member, including the conflict policies set forth in the NYU Faculty Handbook and elsewhere in NYU Langone's *Policies on Conflicts of Interest, Commitment and, Consulting*.

C. A matter involving an NYU Langone Member's participation in research is also reviewed under NYU Langone's *Policy on Conflicts of Interest in Research and Sponsored Programs*.

D. Key Employees are subject to both this Policy and NYU Langone's *Policy on Conflicts of Interest for Trustees and Key Employees*. For any matter related to a Key Employee, to the extent there is any issue about whether the requirements of this Policy conflict with the requirements of the *Policy on Conflicts of Interest for Trustees and Key Employees*, this Policy is to be interpreted to assure compliance with the *Policy on Conflicts of Interest for Trustees and Key Employees*.